

1
2
3
4
5 **BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

6 In the Matter of the Application of
7 AVISTA CORPORATION
8 for Authority to Sell its Interest in
9 the Coal-Fired Centralia Power Plant

NO. UE-991255

PUBLIC COUNSEL'S MOTION TO
REOPEN CENTRALIA DOCKET

10
11
12 Public Counsel hereby moves that the Commission reopen the record in Docket UE-
13 991255, involving the request of Avista for approval of the sale of the Centralia coal-fired power
14 plant.

15 The reason for this motion is the availability of new information, not available at the time
16 of the hearing in this docket, which may affect the decision of the Commission to approve this
17 sale.
18

19 In Docket UE-991255, Avista testified that they projected that there would be a net power
20 cost savings for many years after the sale, as they forecast that the market price of power would
21 be lower than the cost of owning and operating Centralia.
22

23 In hearings before the Commission in Docket UE-991606, on March 28 and March 31,
24 Avista witnesses Kelly Norwood and Ronald McKenzie testified that the opposite was the case,
25 that there would be an immediate need for an increase in rates of \$4.1 million as a result of the
26 sale of Centralia. That information is not currently a part of the record in Docket UE-991255.

1 Public Counsel believes that examining the information which is now available is
2 essential to a proper determination in this proceeding, and therefore moves that the record be
3 reopened, that witnesses Johnson and Ron McKenzie be recalled to the witness stand, and that
4 the Commission consider the effect of updated information in reaching a final determination in
5 this proceeding.
6

7 **BACKGROUND**

8 In the Centralia sale proceeding, Docket UE-991255, Avista testified that the market
9 price for replacement power would be cheaper than Centralia for many years to come.
10

11 Avista filed direct and rebuttal testimony of William Johnson in support of its
12 application. Mr. Johnson's direct testimony included Exhibit 304 and 305. These exhibits
13 indicated that the market price of power, under "Medium Market" projections, would not exceed
14 the cost of owning and operating Centralia until the year 2009.

15 The replacement cost of power was a contested issue in this proceeding, raised by Public
16 Counsel witness Jim Lazar.
17

18 In the rebuttal phase of the proceeding, Mr. Johnson reaffirmed his direct testimony and
19 exhibit (Tr. 265). However, the Company did provide an updated market rate forecast, dated
20 November 1, 1999, in response to a data request, and during cross-examination, provided an
21 updated 21-year analysis of the impact of the higher forecast on the economic analysis originally
22 presented in Exhibits 304 and 305. That updated analysis is included in the record as Exhibit
23 332.
24

25
26 Exhibit 332 is particularly important, as it was Avista's last analysis prior to the decision

1 in this proceeding. Exhibit 332 shows the following year - to - year relationships between the
2 cost of Centralia power and the market value of that power for the first ten years after the
3 proposed sale of Centralia:
4

5	Year	Centralia Above (below) Market
6	1999	\$ 3,044,963
7	2000	(\$354,338)
8	2001	\$ 2,010,735
9	2002	\$ 3,420,464
10	2003	\$ 3,437,946
11	2004	\$ 2,188,023
12	2005	\$ 2,177,019
13	2006	\$ 2,175,550
14	2007	\$ 47,404
15	2008	(\$2,070,830)
16	2009	(\$4,179,032)

17
18
19
20
21 **NEW INFORMATION**

22 The new information, not previously available, is in direct juxtaposition to the material in
23 Exhibit 332. Whereas Exhibit 332, the “latest” information available at the time that the record
24 closed in Docket UE-991255, showed an advantage of market over Centralia, the material
25 produced just a few weeks after the record closed shows quite the opposite.
26

1 It is instructive that the point where the replacement market cost of power exceeds the
2 cost of Centralia by \$4.1 million was not forecast to occur for a decade, while the Company's
3 testimony in Docket UE-991606 indicates that this has already occurred.
4

5 This is not a small change, it is a huge change, occurring in just a few short weeks time.
6 We believe that the Commission would be remiss to not reopen Docket UE-991255 in order to
7 receive the new evidence into the record, and make any appropriate changes in its decision based
8 upon this new information.

9 The detail of the \$4.1 million difference is contained in Exhibit C-194 in Docket UE-
10 991606. Because that is a confidential exhibit, we cannot recite here what the elements of this
11 dramatic change are. We can only cite what was stated in open hearing by Mssrs. Norwood and
12 McKenzie, that the sale of Centralia and acquisition of replacement power leads to a \$4.1 million
13 increase in the amount previously requested in Docket UE-991606.
14

15 16 CONCLUSION

17 Docket No. UE-991255 was heard on an expedited basis, to accommodate the schedule
18 of Pacificorp, which had multiple states in which it had to appear. This expedited hearing
19 necessarily left the record less complete than might otherwise have been the case. On a more
20 normal case schedule, the new information now available from Docket UE-991606 would have
21 been available in Docket UE-991255.
22

23
24 The Commission should recognize that this new information is material to the facts in the
25 case, is essential to assemble a true, accurate, and complete picture of the effect of the proposed
26

1 sale of Centralia, and that reopening the record in Docket UE-991255 is the only way to assure
2 that this new information is included in the record of decision for Docket UE-991255.
3

4 DATED THIS 11th day of April, 2000

5
6 Christine O. Gregoire
7 Attorney General

8
9 _____
10 Simon ffitich
11 Assistant Attorney General
12 Public Counsel
13
14
15
16
17
18
19
20
21
22
23
24
25
26